

RESOLUTION NO. 08-13

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK RELATING TO THE REFUNDING OF ITS VARIABLE RATE REVENUE BONDS, SERIES 2006 (SAN FRANCISCO BALLET ASSOCIATION PROJECT) FOR THE SAN FRANCISCO BALLET ASSOCIATION, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

May 20, 2008

WHEREAS, the California Infrastructure and Economic Development Bank (the "Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (as now in effect and as it may from time to time hereafter be amended or supplemented, the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of economic development facilities (as such term is defined in the Act) located in the State of California (the "State"); and

WHEREAS, the Bank has heretofore received the application of San Francisco Ballet Association, a California nonprofit public benefit corporation (the "Borrower"), for financial assistance to provide funds to: (i) refund the Bank's Variable Rate Revenue Bonds, Series 2006 (San Francisco Ballet Association Project) (the "Prior Bonds"), which Prior Bonds were issued to finance and refinance, among other things, (a) the refunding the Prior Bonds and (ii) the acquisition, construction, furnishing and/or equipping of (a) the Borrower's administration building; (b) capital costs associated with certain ballet performances; (c) student living facilities; (d) warehouse space; (e) certain computer hardware upgrades; and (f) improvements to and refurbishing of the War Memorial Opera House used by the Borrower (the "Project"), (ii) to fund capitalized interest with respect to the Bonds and (iii) to pay certain costs of issuance incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, the Borrower requests the Bank to issue variable rate revenue bonds in an amount not to exceed \$50,000,000 to assist in the refunding of the Prior Bonds and related costs; and

WHEREAS, in order to enhance the marketability of the bonds, the Borrower has agreed to provide for the delivery of a letter of credit from a bank with long-term ratings in one of the three highest rating categories of Moody's Investors Service, Fitch, Inc. or Standard & Poor's Ratings Services, without regard to numerical or other qualifiers, thereby supporting repayment of the bonds; and

WHEREAS, final approval of the terms of such bonds and certain documents relating to the bonds is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Infrastructure and Economic Development Bank as follows:

Section 1. The Bank hereby determines as follows:

- a. The Project is located in the State.
- b. Based upon the requirement that the transaction will be supported by a letter of credit, the Borrower is capable of meeting the obligations incurred under the agreements approved by this resolution.
- c. The payments to be made by the Borrower to the Bank under the loan agreement approved herein are adequate to pay the current expenses of the Bank in connection with the financing and to make all the payments on the variable rate revenue bonds approved herein.
- d. The proposed financing is appropriate for the refunding of the Prior Bonds.
- e. The Project is consistent with any existing local or regional comprehensive plan.
- f. The Project demonstrates clear evidence of a defined public benefit.

Section 2. Revenue obligations of the Bank, designated as the "California Infrastructure and Economic Development Bank Variable Rate Revenue Bonds, Series 2008 (San Francisco Ballet Association)" (the "2008 Bonds") in one or more series and in an aggregate principal amount not to exceed \$50,000,000 are authorized to be issued pursuant to the Act. The Bank hereby acknowledges that the payment of the principal of and interest on the 2008 Bonds will be supported by a direct-pay letter of credit issued by Allied Irish Banks, p.l.c., New York Branch.

Section 3. The Treasurer of the State of California (the "Treasurer") is hereby authorized and requested to sell the 2008 Bonds, at any time and from time to time within one hundred eighty (180) days of receipt of a certified copy of this resolution, at private sale, in such series and such principal amounts not in excess of a total amount of \$50,000,000, at such prices and at such price and at such interest rate or rates as he may determine.

Section 4. The proposed form of Loan Agreement relating to the 2008 Bonds (the "Loan Agreement") between the Bank and the Borrower, on file with the Secretary of the Bank (the "Secretary"), is hereby approved. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed for and on behalf and in the name of the Bank to execute, acknowledge and deliver the Loan Agreement to the Borrower in substantially said form, with such insertions and changes therein as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of the Indenture relating to the 2008 Bonds (the "Indenture") between the Bank and the trustee named therein (the "Trustee"), on file with the Secretary, is hereby approved. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver the Indenture to the Trustee, in substantially the form presented to this meeting, with such insertions and changes therein as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The series (and respective principal amounts thereof), dates, maturity date or dates, interest rate or rates and payment dates, denominations, forms, place or places of payment, terms of redemption and other terms of the 2008 Bonds shall be as provided in said Indenture, as finally executed.

Section 6. The proposed form of Bond Purchase Agreement (the "Bond Purchase Agreement") among the Treasurer, the Bank and J.P. Morgan Securities Inc. (the "Underwriter"), on file with the Secretary, is hereby approved, and the Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and deliver to the Underwriter and the Treasurer the Bond Purchase Agreement in substantially the form presented to this meeting, with such insertions and changes therein as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of official statement relating to the 2008 Bonds (the "Official Statement"), on file with the Secretary, is hereby approved, and the Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute and deliver the Official Statement in substantially the form presented at this meeting, with such insertions and changes therein as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized to distribute copies of the Official Statement to prospective purchasers and the purchasers of the 2008 Bonds.

Section 8. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute (by manual or facsimile signature) the 2008 Bonds in an aggregate principal amount not to exceed the amount authorized hereunder in accordance with the Indenture and in the form set forth in the Indenture.

Section 9. The 2008 Bonds, when so executed as provided in Section 8 of this Resolution, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Indenture. The Trustee is hereby requested and directed to authenticate the 2008 Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the 2008 Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York (the "Depository"), on behalf of the

purchasers thereof in accordance with written instructions executed on behalf of the Bank by the Executive Director the Chair of the Bank, or the Chair's designee, which instructions each signatory, acting singly, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the 2008 Bonds to the Depository, on behalf of the purchasers thereof, upon payment of the purchase price thereof.

Section 10. The officers and officials of the Bank and the Treasurer and their authorized representatives are hereby authorized and directed, acting severally, to do any and all things, and to execute and deliver any and all documents and certificates, including without limitation a tax certificate, letter of representations or similar documents to the bond depository, interest rate swap documentation, including certificates identifying interest rate swaps integrated with any Bonds, any guarantees relating to the 2008 Bonds, or other documents necessary or advisable to refund the Prior Bonds or the financing or refinancing of the Project, and any documents relating to the letter of credit and a guaranty relating to the 2008 Bonds, which in each case they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2008 Bonds or otherwise to effectuate the purpose of this resolution.

Section 11. This resolution shall take effect immediately upon its passage.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on May 20, 2008 by the following vote:

AYES: Matteucci, Sheehan, Lujano, Harvey, Rice

NOES: None

ABSENT: None

ABSTAIN: None



Stanton C. Hazelroth, Executive Director

Attest:



Roma Cristia-Plant, Secretary